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FURTHER CONTINUING APPROPRIATIONS, 1984

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Mr. HATFIELD, from the Committee on Appropriations, submitted the following

REPORT

[To accompany S.J. Res. 194]

The Committee on Appropriations reports the following Joint Resolution 194, making further continuing appropriations for fiscal year 1984, and for other purposes, and presents herewith information relative to the recommended joint resolution.

INTRODUCTION

This further continuing resolution is necessary to maintain programs and activities within the jurisdiction of regular appropriations bills for fiscal year 1984 not yet enacted into law. The first continuing resolution will expire on November 10. That measure was needed to provide funding for the 9 of the 13 regular appropriations which had not been enacted into law as of October 1. Since that date, four additional bills have been enacted and of the remaining five remaining bills, two have cleared committees of conference and one is awaiting conference. The other two bills have been reported by the Committee and are eligible for floor consideration.

It remains the Committee's intent to have enacted into law as many regular appropriations bills as possible before adjournment of this session of the Congress. However, until the remaining bills are actually signed into law, further continuing spending authority must be provided.

SUMMARY OF THE RESOLUTION

The bills and funding levels for the five appropriations bills covered by this recommended continuing resolution are as follows:

S183-22

AGRICULTURE

Rate established in the conference agreement on the regular fiscal year 1984 appropriation bill (sec. 101(e)).

COMMERCE-JUSTICE-STATE

Rate established in the conference agreement on the regular fiscal year 1984 appropriation bill (sec. 101(f)).

DEFENSE

Maintains spending rate of $247,000,000,000 established in first continuing resolution (sec. 101(a)).

FOREIGN OPERATIONS

Adopts rate and terms established in Senate-reported fiscal year 1984 appropriation bill (sec. 101(c)).

TREASURY-POSTAL SERVICE

Maintains basic funding levels at the current rate, with specified exceptions at Senate-reported level (sec. 101(b)).

DURATION OF THE CONTINUING RESOLUTION

The Committee also recommends that the duration of this continuing resolution be for the balance of the fiscal year (sec. 102(c)). While the Committee intends to pursue further action on the remaining unenacted fiscal year 1984 appropriations bills, the recommendation reflects the practical difficulties in attempting to take action on these bills, if any, in the next session of Congress. At that time, both the executive and legislative branches will be occupied with consideration of the budget for the 1985 fiscal year. Furthermore, the significance of holdover fiscal year 1984 appropriations bills will be diminished by the shortened coverage of these measures. It is, therefore, prudent to permit funding of the balance of this fiscal year to be provided under the terms of this measure, subject to congressional action on subsequent supplemental appropriation measures.

REFUGEE AND ENTRANT ASSISTANCE

The Committee has included bill language in section 101(d) to prevent the Department of Health and Human Services from implementing any administratively imposed block grant under the refugee and entrant assistance program. In the report accompanying the regular Labor-HHS-Education appropriation bill for fiscal year 1984, the Committee directed the Department to continue the existing categorical funding structure, rather than moving to per capita block grants. It, nevertheless, appears the Department is proceeding, through draft regulations, to implement block grant funding in the near future unless bill language specifically prohibits this action. The Committee continues to believe that the issue of consolidating funding for refugee and entrant assist-

ance is a matter to be addressed by the authorizing committees when they consider renewed substantive legislation; this bill language provision merely preserves the status quo pending enactment of such legislation.

Low-Income Energy Assistance

The Committee recommends in section 111 $193,000,000 for the low-income home energy assistance program, which is in addition to the $1,875,000,000 provided in Public Law 98–139, the regular fiscal year 1984 Labor-HHS-Education Appropriation Act. This would raise total fiscal year 1984 new budget authority to $2,068,000,000, compared to $1,975,000,000 appropriated for fiscal year 1983. The increase over last year's appropriation is necessary to offset the higher cost of energy projected by the Congressional Budget Office to at least maintain the existing level of assistance provided by this program.

The low-income home energy assistance program provides grants to States to help low-income individuals pay the high cost of energy, particularly heating costs in the winter.

In its report accompanying the regular fiscal year 1984 Labor-HHS-Education appropriation bill, the Committee noted that the Federal Government had determined it would not appeal the district court decision in the *Exxon* case, to distribute an estimated $1,700,000,000 of overcharges to the States, with the likelihood that a significant portion of this distribution would be used for the low-income home energy assistance program. However, other litigants have appealed; thus, the funds remain in escrow. The Committee indicated that if it became apparent that these funds would not be available to meet this winter's needs, it would consider additional funding for low-income energy assistance. Since it now appears that potential funds from the *Exxon* case will not be available this winter, it is essential that additional funds be appropriated to assist low-income people who cannot afford to pay their heating bills this winter.

Tennessee Valley Authority

The Committee has included an appropriation in section 115 that supports whitewater recreational development on the Ocoee River downstream from the Tennessee Valley Authority's Ocoee No. 2 dam. The Tennessee Valley Authority Act requires TVA, in the operation of any dam or reservoir in its possession and control, to regulate the streamflow primarily for the purposes of promoting navigation and controlling floods and, so far as may be consistent with such purposes, for the generation of electric energy. TVA properly insists that these priorities be observed at Ocoee No. 2, which is operated as part of TVA's self-financing power program. Future development of this nationally recognized whitewater recreation area cannot take place without provision by TVA of release of water which can be made only by bypassing the generating facilities. This appropriation provides $6,400,000 to the TVA electric power program to reimburse it for additional operating costs associated with recreational water releases. Consequently, this ap-

propriation does not add to the appropriation investment in the power program for the purposes of section 15d(e) of the TVA Act. In addition, this appropriation provides $1,000,000 for the long-term future management and operation of the recreational areas under cooperative arrangements between TVA and the State of Tennessee.

COMMERCE-JUSTICE-STATE

Consolidated Primary Border Inspection

In the report accompanying the Commerce, Justice, State, the Judiciary and Related Agencies appropriation bill (S. Rept. 98–206), as well as the explanatory statement for the continuing resolution, the Committee called for a stronger management policy with respect to the Nation's borders. Last week the Cabinet Council on Management and Administration announced a change in border responsibilities that would assign air and sea ports-of-entry to the U.S. Customs Service, and land entry points to the Immigration and Naturalization Service. The Committee, of course, has not had the opportunity to review or evaluate this change, the details of which are purportedly yet to be worked out within the administration.

The Committee expects prior approval before these changes are implemented and directs that implementation not be initiated during the adjournment of the Congress or 90 days thereafter.

By no means should the Committee's interest in strengthening the Government's border management function be interpreted as an endorsement of efforts to reduce INS and Customs personnel ceilings. To the contrary, it is the sense of the Congress that our borders are undermanned at the present time, and that any change in organizational structure should not decrease our presence at the borders or at entry points for international passengers or cargo.

DEPARTMENT OF THE INTERIOR

Energy Security Reserve

The Committee, in its report on H.R. 3363, the Department of the Interior and Related Agencies Appropriations Act, 1984, expressed concern that the Synthetic Fuels Corporation (SFC) should consider negotiations with the Great Plains gasification project. That concern was subsequently endorsed by the House-Senate conferees on H.R. 3363 in the statement of managers, when they stated—

> The managers understand that representatives of the Great Plains Gasification Associates coal gasification project now under construction in North Dakota have discussed the possibility of financial assistance under the Energy Security Act with officials of the Synthetic Fuels Corporation to supplement the existing $2,020,000,000 loan guarantee issued by the Department of Energy under the Federal Nonnuclear Energy Research and Development Act and other applicable appropriations acts.

The Synthetic Fuels Corporation has issued three general solicitations for projects. The managers believe that the statutory requirements for competitive bids has thus been met, consistent with the congressional intent of the Energy Security Act, and the Synthetic Fuels Corporation may, therefore, proceed to direct negotiations for financial assistance where appropriate under section 131(b)(4) of the act. While other statutory authority for assistance to the Great Plains project exists, such as that under section 127(c) of the Energy Security Act, for managers believe that this project qualifies for consideration for direct negotiation.

This statement by the managers should not be considered either support for, or opposition to any award of financial assistance at this time to the Great Plains project by the Synthetic Fuels Corporation. Obviously, the Synthetic Fuels Corporation must fully protect the interests of the United States and must apply its usual standards in considering the type and level of support to be accorded Great Plains. There can be no suggestion of special or extraordinary support for Great Plains. A fair and consistent application of the Synthetic Fuels Corporation's established guidelines and policies should not, however, be precluded because Great Plain's financial assistance package was formulated by the Department of Energy under the Federal Nonnuclear Energy Research and Development Act prior to the development of the Synthetic Fuels Corporation's present programs and policies.

Further, it is the managers purpose to reassert the intent and commitment of the Congress to the goals and objectives of the Synthetic Fuels Corporation as expressed in the Energy Security Act of 1980.

The vital security interests of the United States depends on a full effort to move diligently to implement programs to develop tar sands and other resources in order to get these projects off the drawing boards and into commercial production. The managers are encouraged by the recent accelereated pace of awards of financial assistance to synthetic fuels projects and support current plans of the Corporation to substantially increase the number of awards in fiscal year 1984.

The Great Plains gasification project, with a Federal Energy Regulatory Commission approved tariff, will be America's first commercial plant to convert coal into synthetic pipeline quality gas. This project has already provided a substantial amount of valuable experience to the United States about the financing, design, construction, startup, and operation of a massive coal conversion plant, as well as experience in environmental permitting, land and water management, and community and socioeconomic planning, not available from pilot plant operations. However, the true value of Great Plains will not be achieved until the plant is completed and operated.

Today, the prospect for this Nation to gain the full measure of its value is in jeopardy. Because of sharply lower oil prices than projected at the time when the loan guarantee was executed, the project's finan-

cial outlook suggests the potential for many years of losses. Therefore, there is a high risk that the five private sponsors will meet and consider termination of their participation in the project unless an entity of the Federal Government offers the framework for an award of price supports. If such termination should occur there will be a major disruption of the project; loss of key personnel, valuable information, and experience; and increased completion costs.

The SFC is the entity of the Federal Government charged with the responsibility to support commercial synthetic fuel projects, and with the necessary authorities and appropriations to do so. In contrast the Energy Department does not have the appropriations for purchases.

The Committee believes that the Great Plains gasification project now under construction in North Dakota is a crucial element in our national synthetic fuels program. The Committee further believes that the project is in serious jeopardy.

The Committee continues to believe that the Corporation can and should go to direct negotiations for this project under section 131(b)(4) of the Energy Security Act. However, in view of the Committee's grave concern that the Great Plains project not be delayed or further jeopardized for any reason, the Committee, on a bipartisan basis, urges the Board of Directors in the strongest possible terms to open a solicitation at its December 1, 1983, meeting under which the Great Plains gasification project might apply for price guarantee assistance from the Corporation. The Committee believes that this is consistent with the charter of the U.S. Synthetic Fuels Corporation.

The Synthetic Fuels Corporation is the appropriate Federal entity to assist and facilitate early production of synthetic fuels. The experience from this project will be essential for the preparation of the Corporation's comprehensive strategy. The Synthetic Fuels Corporation must insure that the Great Plains project proceeds to construction completion and operation in order to avoid the national loss of the valuable experience that is to be gained from completion of construction, startup, and operation of the Great Plains gasification project, and in order to avoid substantial abandonment costs.

On a more positive note, the Committee was encouraged by the recent, but long overdue, improvement in the pace of the SFC movement toward the conclusion of negotiations under the three general and two targeted solicitations and the award of financial assistance to those synthetic fuels projects that further the purposes of the Energy Security Act. Nevertheless, considerable progress remains before the SFC's portfolio will contain sufficient experience in the award of financial assistance to satisfy the statutory requirements for either a diversity of processes, methods, and techniques for each domestic resource that offers significant potential for use as a synthetic fuel feedstock, or for the formulation of a comprehensive strategy to achieve the national synthetic fuel production goal. In the absence of such experience, the SFC should give serious consideration to postponing for 1 year the submission of the comprehensive strategy under the procedure set forth in the Energy Security Act.

FOREIGN OPERATIONS

The section (sec. 101(c)) in the joint resolution relating to the Foreign Assistance Appropriations Act provides for funding levels earlier approved by the Committee when it reported out S. 1892 on September 27, 1983. The Committee incorporates by reference the report accompanying S. 1892, Senate Report 98–245, and directs that all the provisions of that report which apply to S. 1892 apply to the foreign assistance sections of this joint resolution.

Four exceptions to the above are the provision of funding for the International Monetary Fund, an add-on of $12,000,000 for the Economic Support Fund with an earmarking of $15,000,000 for Cyprus, a provision allowing for up to $15,000,000 for economic assistance to Grenada, and a provision allowing Israel to use its FMS program for the Lavi program and offshore procurement. These latter two provisions regarding the Lavi are in accordance with ongoing strategic discussions between Israel and the United States.

The Committee is earmarking the entire international organizations and programs account, as it did in S. 1892, per the following table:

VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[In thousands of dollars]

	Fiscal year 1983 estimate	Fiscal year 1984 proposed	Committee recommendation
United Nations:			
U.N. Development Program	140,000	120,000	145,000
U.N. Children's Fund	42,500	27,000	47,500
U.N. Capital Development Fund	2,000	2,000	2,000
U.N./World Food Program	2,000	.....	2,000
U.N. Voluntary Fund for the Decade for Women	.....	500	500
World Meteorological Organization Voluntary Cooperation Program	2,300	2,300	2,300
International Atomic Energy Agency	14,500	18,500	14,500
U.N. Environment Program	7,850	3,000	3,000
U.N. Educational and Training Program for Southern Africa	1,000	1,000	1,000
U.N. Institute for Namibia	500	.....	.....
U.N. Trust Fund for South Africa	343	.....	.....
U.N. Institute for Training and Research	422	.....	.....
Convention on International Trade in Endangered Species	138	150	150
International Fund for Agricultural Development	40,000	50,000	50,000
U.N. fellowship program	449	.....	.....
Expanded Program on Immunization Revolving Fund of the Pan American Health Organization	.....	.....	1,686
Subtotal, United Nations	254,002	224,450	269,636
Organization of American States	15,500	15,500	15,500
Total, International Organizations and Programs	269,502	239,950	285,136

The provision of funding for the International Monetary Fund in section 110 is subject to the enactment of authorization, which is identical to the provisions the Committee provided in the fiscal year 1983 supplemental appropriations bill (H.R. 3069). Funding for the International

Monetary Fund was rejected at that time because of a lack of authorization, and while authorization has yet to be signed into law, indications are that agreement on such legislation is very near to finalization.

The Committee has included a provision in the legislation which allows up to $15,000,000 of funds deobligated under the legislation from the Syrian pipeline to be used for grant economic assistance for Grenada. This provision, however, also requires that any such program be presented to the Committee through the formal reprograming process. The Committee directs the administration, however, to present any such program for Grenada in advance of the reprograming requirements so as to allow the Committee ample time to hold hearings and examine in detail any proposed program for that country. The Committee wishes to underscore its desire to have more than the usual information and time inherent in a simple reprograming in order to thoroughly examine any administration request for economic assistance to Grenada.

TREASURY-POSTAL SERVICE

U.S. Customs Service

SALARIES AND EXPENSES

The Committee has recommended continuing the appropriation for U.S. Customs Service, salaries and expenses at the rate of $584,943,000 for fiscal year 1984. This is the identical level of funding recommended by the Committee for salaries and expenses in S. 1646—the Treasury, Postal Service, and General Government appropriation bill, 1984—as reported to the Senate on July 20.

The level of appropriations recommended in this bill will allow the restoration of 1,600 of the 2,000 positions targeted for elimination by the administration in fiscal year 1984. The funding recommended in this bill will also allow the placement of restored positions into critical law enforcement slots, including inspectors, import specialists, patrol officers, and agents. The Committee continues to believe that this level of funding is essential if it is to bolster the Customs law enforcement effort, particularly in the area of drug interdiction and import-export administration enforcement at the borders.

The Committee fully expects the Customs Service to adhere to the terms, conditions, directives, and recommendations contained in Senate Report 98–186, regarding both personnel and program funding levels for fiscal year 1984.

OPERATIONS AND MAINTENANCE, AIR INTERDICTION PROGRAM

The Committee has recommended continuing the appropriation for U.S. Customs Service operation and maintenance, air interdiction program at the rate of $31,000,000 for fiscal year 1984. This new account was established in Public Law 98–8, the emergency supplemental appropriation bill, 1983, and is continued as a separate appropriation line item account in S. 1646—the Treasury, Postal Service, and General Government appropriation bill, 1984, as reported to the Senate on July 20.

This account is absolutely critical in establishing the funding foundation for a new drug air interdiction program that features the use of excess military aircraft and equipment by Customs for its antidrug smuggling program. The Committee continues to believe that it is essential to have this separate line item account for the air interdiction program.

Senate Report 98–186 contains a detailed outline of how the operation and maintenance, air interdiction program funds are expected to be allocated in the current fiscal year among the various component parts of the new air program. The table beginning on page 21 of the Committee report is an important blueprint of the Committee's funding recommendations and should be followed carefully by the Customs Service for the balance of the fiscal year. However, as stated in the report, the Committee will expect to be informed in advance in writing of any proposed changes to the allocation of resources contained in the report regarding the air interdiction program.

The Committee is pleased to report that negotiations with the Department of Defense over the loan of P–3A aircraft; F–15 combat radars; Black Hawk helicopters; C–12 tracker aircraft; and other important drug interdiction hardware have been most successful. All indications are that Customs will have its first radar-equipped P–3A/F–15 aircraft in fiscal year 1984 with the balance to follow shortly thereafter, and three additional Black Hawk helicopters by the end of March 1984. The Committee believes that the funding of important operation and maintenance activities in a separate appropriation account is critical to the successful accomplishment of the new Customs air program.

COLLECTION OF TAXES AND DUTIES

The Commissioner of Customs is directed to enforce the limitation on alcoholic beverages acquired in a foreign country or the U.S. Virgin Islands, which a returning U.S. citizen may bring into the United States tax and duty free in accordance with U.S. Tariff Schedule items 813.30 and 830.31 and to collect all applicable Internal Revenue taxes and customs duties on quantities of alcoholic beverages in excess of the statutory exemption.

CUSTOMS REGULATIONS ON RIGHTS OF TRADEMARK OWNERS

The Committee directs the Department of the Treasury to publish forthwith the proposed customs regulations drafted by the Customs Service amending 19 CFR section 133.21 affecting the rights of trademark owners so that a timely process of public comment can commence.

The Committee believes that a very serious problem involving the rights of trademark owners exists and that the Customs Service should no longer delay the publishing of these regulations which are designed to address these critical matters.

Bureau of Alcohol, Tobacco, and Firearms

The Committee has recommended funding the Bureau of Alcohol, Tobacco, and Firearms at a level of $157,260,000 for the duration of this continuing resolution. This is the amount recommended in S. 1646, the Committee's fiscal year 1984 Treasury, Postal Service, and General Government bill.

The Committee believes that the Bureau of Alcohol, Tobacco, and Firearms needs resources at this level to enable it to continue its enforcement and regulatory responsibilities. Current responsibilities include organized crime task forces, south Florida task force, and the ongoing arson, cigarette smuggling, and alcohol regulatory efforts. It will also be necessary for participation in the security activities relating to the 1984 Olympic Games.

FEDERAL LAW ENFORCEMENT TRAINING CENTER IMPROVEMENTS

The Committee has included language which will allow the Federal Law Enforcement Training Center to utilize up to $100,000 from existing funds for plans, major maintenance, and improvements at the Center.

Internal Revenue Service

The Committee has appropriated funding for the Internal Revenue Service accounts; that is, salaries and expenses; processing tax returns; examinations and appeals, and investigation, collection and taxpayer service at the level which is contained in S. 1646, the fiscal year 1984 Treasury, Postal Service, and General Government appropriations bill. It is the intention of the Committee that the IRS follow directives outlined in the Committee report (S. Rept. 98–186).

General Services Administration

CONTRACTING OUT PROHIBITION

The continuing resolution contains language in section 114 that would prohibit GSA from contracting out certain jobs that are predominantly held by veterans, such as guards, elevator operators, messengers, custodians, and mechanics. The language in the resolution does, however, include an exemption to the prohibition for contracts that may be made with sheltered workshop groups employing the severely handicapped, such as Goodwill Industries and the like. Existing language would not exempt sheltered workshops, and they would be hurt substantially. This section clarifies the situation.

FUEL SAVING EFFORT

The Committee has included language in section 113 directing the General Services Administration to proceed with procurement of equipment which has been approved by the Environmental Protection Agency to equip the existing motor pool fleet with the fuel saving devise.

SECRET SERVICE

The Committee has appropriated the amount equal to that outlined in S. 1646—$294,555,000 for the U.S. Secret Service. In order to carry out the responsibilities of the Service during fiscal year 1984, this figure is of utmost importance.

The Committee notes that Senate Report 98–186, which accompanies S. 1646 outlines the directives the Service should follow in fiscal year 1984.

FORGERY INVESTIGATIONS

The continuing resolution contains language in section 117 that has been requested by the administration which clarifies the jurisdiction of the U.S. Secret Service in the area of investigation of forged Government securities and checks. Forgeries are a major responsibility for the Secret Service and the Service needs a clarification in the law to allow them to tighten up existing law regarding forged Government checks, bonds, or securities. For example, under current law it is possible for a thief to steal a Treasury check endorsed by a payee, endorse his own name and obtain the proceeds without violating the law. This language would, among other things, close that loophole. The language has been requested by the administration and is therefore included by the Committee.

FEDERAL MOTOR VEHICLE MANAGEMENT STUDY DIRECTIVES IN S. 1646

Section 620 of the Treasury, Postal Service, and General Government appropriation bill, 1984, contains a number of directives and recommendations which, if implemented, would significantly improve the management of the Federal motor vehicle fleet. Under the language in the Senate-reported bill, the Director of the Office of Management and Budget and the Administrator of GSA would collaborate on a series of measures that would, perhaps for the first time, force Federal agencies to carefully analyze their motor vehicle operations with an eye toward cutting costs and improving efficiency. The operation and maintenance of the Federal motor fleet costs the taxpayer over $1,200,000,000 a year. The Committee is on record in support of the provisions of section 620 which, among other things, calls for savings of $100,000,000 in fiscal year 1985.

Therefore, the Committee directs the agencies and departments whose funding is provided in this bill to comply with the directives, conditions, and recommendations contained in section 620 of S. 1646 and to meet the study and reporting deadlines outlined in the bill. The Committee is particularly concerned that the studies of private-sector alternatives to the GSA motor pool system be conducted as soon as possible and that both OMB and GSA provide maximum leadership in overseeing these important studies.

GENERAL PROVISIONS

The Committee recommends a general provision in section 116 requiring that, during all of fiscal year 1984, departments and agencies make loan guarantee commitments up to the full amounts provided in appropriation acts—subject to the availability of qualified applicants. A similar provision was included in the fiscal year 1982 continuing resolution (Public Law 97–92) at section 136, and again in the fiscal year 1983 continuing resolution (Public Law 97–276) at section 145. This provision assures that loan guarantee levels provided in law or in appropriation acts for all loan guarantee programs are not arbitrarily restricted by administrative actions.

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